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**UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA**

BRIAN BARRY, Individually and on Behalf
 of All Others Similarly Situated,

Plaintiff,

v.

COLONY NORTHSTAR, INC., RICHARD
 B. SALTZMAN, DARREN J. TANGEN,
 NEALE REDINGTON, and DAVID T.
 HAMAMOTO,

Defendants.

Case No. 2:18-cv-02888-GW-MRW

**NOTICE OF MOTION & MOTION OF
 PLAINTIFF IBEW 640 FOR:
 (1) CONSOLIDATION OF THE
 RELATED ACTIONS;
 (2) APPOINTMENT AS LEAD
 PLAINTIFF; AND (3) APPROVAL OF
 ITS SELECTION OF LEAD COUNSEL;
 AND MEMORANDUM OF POINTS &
 AUTHORITIES IN SUPPORT**

Date: July 16, 2018

Time: 8:30 a.m.

Judge: Hon. George H. Wu

STEVE KLEIN, Individually and on Behalf of
 All Others Similarly Situated,

Plaintiff,

vs.

COLONY NORTHSTAR, INC., RICHARD B.
 SALTZMAN, DARREN J. TANGEN,
 NEALE REDINGTON, and DAVID T.
 HAMAMOTO,

Defendants

Case No. 2:18-cv-03520-GW-MRW

[Caption continued on next page.]

1 IBEW LOCAL NO. 640 AND ARIZONA
2 CHAPTER NECA PENSION TRUST FUND,
3 Individually and on Behalf of All Others
4 Similarly Situated,

Plaintiff,

vs.

5 COLONY NORTHSTAR, INC., RICHARD
6 B. SALTZMAN, DARREN J. TANGEN,
7 NEALE REDINGTON, and DAVID T.
8 HAMAMOTO,

Defendants.

Case No. 2:18-cv-04954-GW-RAO

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TABLE OF CONTENTS

NOTICE OF MOTION AND MOTION1

STATEMENT OF THE ISSUES TO BE DECIDED.....1

MEMORANDUM OF POINTS AND AUTHORITIES2

I. INTRODUCTION2

II. FACTUAL BACKGROUND.....2

III. ARGUMENT.....4

A. The Related Actions Should Be Consolidated.....4

B. IBEW 640 Should Be Appointed Lead Plaintiff.....5

1. IBEW 640’s Motion Is Timely5

2. The Proper Class Period for Calculating the Largest
Financial Interest in the Related Actions5

3. IBEW 640 the Largest Financial Stake in the Relief Sought
by the Class6

4. Congress Expressly Intended Institutional Investors, Like
IBEW 640, to Be Appointed as Lead Plaintiff7

5. IBEW 640 Is Otherwise Qualified Under Rule 238

C. The Court Should Approve IBEW 640’s Choice of Counsel9

IV. CONCLUSION.....10

TABLE OF AUTHORITIES**PAGE(S)****CASES**

<i>In re Cavanaugh</i> , 306 F.3d 726 (9th Cir. 2002)	2, 9, 10
<i>City of Harper Woods Emps. Ret. Sys. v. AXT, Inc.</i> , No. C 04-04362 MJJ, 2005 WL 318813 (N.D. Cal. Feb. 7, 2005).....	4
<i>In re Cohen</i> , 586 F.3d 703 (9th Cir. 2009)	9
<i>Feyko v. Yuhe Int'l Inc.</i> , No. CV 11-05511 DDP, 2012 WL 682882 (C.D. Cal. Mar. 2, 2012)	6, 7
<i>Inv'rs Research Co. v. U.S. Dist. Court for Cent. Dist. of Cal.</i> , 877 F.2d 777 (9th Cir. 1989)	4
<i>Knox v. Yingli Green Energy Holding Co. Ltd.</i> , 136 F. Supp. 3d 1159 (C.D. Cal. 2015)	6
<i>Miami Police Relief & Pension Fund v. Fusion-io, Inc.</i> , No. 13-CV-05368-LHK, 2014 WL 2604991 (N.D. Cal. June 10, 2014)	4, 5, 6
<i>Mulligan v. Impax Labs., Inc.</i> , No. C-13-1037 EMC, 2013 WL 3354420 (N.D. Cal. July 2, 2013).....	6
<i>Perlmutter v. Intuitive Surgical, Inc.</i> , No. 10-CV-03451-LHK, 2011 WL 566814 (N.D. Cal. Feb. 15, 2011).....	7
<i>Richardson v. TVIA, Inc.</i> , No. C 06 06304 RMW, 2007 WL 1129344 (N.D. Cal. Apr. 16, 2007).....	6, 7
<i>Russo v. Finisar Corp.</i> , No. 5:CV 11-01252-EJD, 2011 WL 5117560 (N.D. Cal. Oct. 27, 2011)	4, 8
<i>Westley v. Oclaro, Inc.</i> , No. C-11-2448 EMC, 2011 WL 4079178 (N.D. Cal. Sept. 12, 2011)	8, 9

STATUTES, RULES & REGULATIONS

15 U.S.C.	
§77z-1(a)(3)(A)(i)(II).....	5
§77z-1(a)(3)(A)-(B)	5
§77z-1(a)(3)(B)(iii)(II)(aa)	9
§77z-1(a)(3)(B)(v)	9
§78u-4(a)(3)(A)(i).....	5
§78u-4(a)(3)(B)(i)	6
§78u-4(a)(3)(B)(iii).....	2

1 §78u-4(a)(3)(B)(iii)(I)(bb)6
2 §78u-4(a)(3)(B)(iii)(I)(cc).....8
3 FEDERAL RULES OF CIVIL PROCEDURE
4 Rule 23(a).....8
5 Rule 42(a)(1)-(3)4
6 **OTHER AUTHORITIES**
7 H.R. CONF. REP. NO. 104-369 (1995), *reprinted in* 1995 U.S.C.C.A.N. 730.....7
8 MANUAL FOR COMPLEX LITIGATION (THIRD) §20.123 (1995)4
9 NEWBERG ON CLASS ACTIONS §3:13 (4th ed. 2008)9

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NOTICE OF MOTION AND MOTION

TO: ALL PARTIES AND THEIR RESPECTIVE COUNSEL OF RECORD

PLEASE TAKE NOTICE that Lead Plaintiff movant and putative Class member IBEW Local No. 640 and Arizona Chapter NECA Pension Trust Fund (“IBEW 640”), by and through its undersigned counsel, hereby moves this Court in Courtroom 9D, 9th Floor, of the United States District Court for the Central District of California, 350 West 1st Street, Los Angeles, California, on July 16, 2018 at 8:30 a.m., or as soon thereafter as the matter may be heard, for the entry of an order: (1) consolidating the above-captioned related actions; (2) appointing IBEW 640 as Lead Plaintiff for the putative Class pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”), 15 U.S.C. §78u-4, *et seq.*; and (3) approving its selection of Scott+Scott Attorneys at Law LLP (“Scott+Scott”) as Lead Counsel for the putative Class.

This motion is made on the grounds that IBEW 640 timely filed this motion and is the most adequate plaintiff. Based on the information presently available, IBEW 640 has the largest financial interest in the relief sought by the Class amongst movants for lead plaintiff, meets the requirements of Rule 23 of the Federal Rules of Civil Procedure (“Rule 23”), as its claims are typical of the claims of the Class, and it will fairly and adequately represent the interests of the Class. In addition, IBEW 640 has selected and retained Scott+Scott, a law firm with substantial experience in prosecuting securities class actions, to serve as Lead Counsel.

This motion is based on this notice of motion and memorandum of points and authorities herein, the Declaration of John T. Jasnoch (“Jasnoch Decl.”) filed concurrently herewith and in support thereof, the pleadings and other files and records previously entered in these actions, and such other written or oral argument as may be presented to the Court.

STATEMENT OF THE ISSUES TO BE DECIDED

1. Whether the Court should consolidate the above-captioned related actions, which involve common questions of law and fact, pursuant to Fed. R. Civ. P. 42(a) (“Rule 42(a)”);

2. Whether the Court should appoint IBEW 640 as Lead Plaintiff pursuant to 15 U.S.C. §78u-4(a)(3)(B); and

3. Whether the Court should approve of IBEW 640's selection of Scott+Scott as Lead Counsel for the Class pursuant to 15 U.S.C. §78u-4(a)(3)(B)(v).

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

IBEW 640, by and through its undersigned counsel, respectfully submits this memorandum of points and authorities in support of its motion for: (1) consolidation of the above-captioned related actions; (2) appointment as Lead Plaintiff pursuant to §21D of the Securities and Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. §78u-4(a)(3)(B), as amended by the PSLRA; and (3) approval of its selection of Scott+Scott to serve as Lead Counsel for the putative Class.

The PSLRA provides that the Court is to appoint as lead plaintiff the member or members of the purported plaintiff class with the largest financial interest in the action that otherwise satisfies the requirements of Rule 23. 15 U.S.C. §78u-4(a)(3)(B)(iii). As demonstrated below, IBEW 640 should be appointed to serve as the Lead Plaintiff for this litigation because: (1) its motion for appointment is timely filed; (2) based on information presently available, IBEW 640 has the largest financial interest in this litigation; and (3) it is an adequate and typical Class member. *See* 15 U.S.C. §78u-4(a)(3)(B)(iii) (describing the PSLRA's standard for lead plaintiff appointment); *In re Cavanaugh*, 306 F.3d 726, 729-30 (9th Cir. 2002) (same). In addition, IBEW 640's selection of Scott+Scott to serve as Lead Counsel for the putative class should be approved. *See* 15 U.S.C. §78u-4(a)(3)(B)(v) ("The most adequate plaintiff shall, subject to the approval of the court, select and retain counsel to represent the class."). Scott+Scott has a long history of successfully litigating securities class actions and possesses the necessary resources to aggressively prosecute this action on behalf of the putative class.

II. FACTUAL BACKGROUND

On April 6, 2018, Plaintiff Brian Barry ("Plaintiff Barry") filed the first putative class action, captioned *Barry v. Colony NorthStar, Inc.*, No. 2:18-cv-02888-GW-MRW (the "*Barry*

Action”), in this District on behalf of all persons, other than Defendants (defined below), who purchased or otherwise acquired publicly traded securities of Colony NorthStar, Inc. (“Colony NorthStar” or the “Company”) between February 28, 2017 through March 1, 2018, inclusive. *See Barry Action*, Compl. ¶1 (ECF No. 1). Two additional putative class actions were filed thereafter (together, with the *Barry Action*, the “Related Actions”):

Case	Civil No.	Date Filed	Class Period
<i>Barry v. Colony NorthStar, Inc.</i>	2:18-cv-02888	04/06/2018	02/28/2017 – 03/01/2018
<i>Klein v. Colony NorthStar, Inc.</i> (“ <i>Klein Action</i> ”)	2:18-cv-03520	04/26/2018	02/28/2017 – 03/01/2018
<i>IBEW Local No. 640 and Arizona Chapter NECA Pension Trust Fund v. Colony NorthStar, Inc.</i> (“ <i>IBEW 640 Action</i> ”)	2:18-cv-04954	06/04/2018	01/10/2017 – 03/01/2018

Colony NorthStar operates as a real estate investment trust. The Company resulted from the January 2017 merger of three entities: Colony Capital, Inc.; NorthStar Asset Management Group Inc.; and NorthStar Realty Finance Corp. ¶2.¹ The Company’s stock trades on the New York Stock Exchange under the ticker symbol “CLNS.” ¶3.

The Complaint alleges that Colony NorthStar and certain of its officers and directors (collectively, “Defendants”) made false and/or misleading statements and/or failed to disclose that: (i) Colony NorthStar’s Healthcare and Investment Management segments were performing worse than reported; and (ii) as a result, Colony NorthStar’s public statements were materially false and misleading at all relevant times. ¶4.

On March 1, 2018, Colony NorthStar reported its financial and operating results for the quarter and year ended December 31, 2017, announcing a goodwill impairment of \$375 million attributable to the Company’s Healthcare and Investment Management segments. ¶6. On this news, Colony NorthStar’s share price fell \$1.78, or 22.88%, to close at \$6.00 on March 1, 2018. ¶7.

¹ All “¶” and “¶¶” references are to the complaint filed in the *IBEW 640 Action* (ECF No. 1) (the “Complaint”).

1 **III. ARGUMENT**

2 **A. The Related Actions Should Be Consolidated**

3 Consolidation of related cases is appropriate, where, as here, the actions involve common
 4 questions of law and fact, and therefore consolidation would avoid unnecessary cost, delay, and
 5 overlap in adjudication: “[i]f actions before the court involve a common question of law or fact,
 6 the court may: (1) join for hearing or trial any or all matters at issue in the actions;
 7 (2) consolidate the actions; or (3) issue any other orders to avoid unnecessary cost or delay. Fed.
 8 R. Civ. P. 42(a)(1)-(3); *see also* MANUAL FOR COMPLEX LITIGATION (THIRD) §20.123 (1995);
 9 *Russo v. Finisar Corp.*, No. 5:CV 11-01252-EJD, 2011 WL 5117560, at *3 (N.D. Cal. Oct. 27,
 10 2011) (noting that “actions [that] present virtually identical factual and legal issues . . . should be
 11 consolidated”). Courts recognize that “class action shareholder suits are particularly well suited
 12 to consolidation” because their “unification expedites proceedings, reduces case duplication, . . .
 13 and minimizes the expenditure of time and money” by all concerned. *Miami Police Relief &*
 14 *Pension Fund v. Fusion-io, Inc.*, No. 13-CV-05368-LHK, 2014 WL 2604991, at *3 (N.D. Cal.
 15 June 10, 2014); *see also City of Harper Woods Emps. Ret. Sys. v. AXT, Inc.*, No. C 04-04362
 16 MJJ, 2005 WL 318813, at *3 (N.D. Cal. Feb. 7, 2005) (finding that consolidating securities class
 17 actions “would expedite pretrial proceedings and reduce case duplication, thereby conserving
 18 judicial resources”). The Court has broad discretion under Rule 42(a) to consolidate cases
 19 pending within its District. *Inv’rs Research Co. v. U.S. Dist. Court for Cent. Dist. of Cal.*, 877
 20 F.2d 777 (9th Cir. 1989).

21 Here, the three Related Actions present substantially similar factual and legal issues, arise
 22 from the same alleged scheme by Defendants, and allege violations of federal securities laws.
 23 Each action alleges claims pursuant to §§10(b) and 20(a) of the Exchange Act, names the same
 24 Defendants, and stems from the same or similar underlying facts and circumstances. Because the
 25 Related Actions are based on similar facts and involve the same subject matter and legal claims,
 26 discovery obtained in any one of the Related Actions will undoubtedly be relevant to all of these
 27 actions, and similar class certification issues will also be relevant to all of these actions.

Accordingly, consolidation of the Related Actions is appropriate under Rule 42(a) and the PSLRA.

B. IBEW 640 Should Be Appointed Lead Plaintiff

1. IBEW 640's Motion Is Timely

Within 20 days of filing a securities class action, the plaintiff must publish a notice informing putative class members of their right to file a motion for appointment as lead plaintiff (the "Early Notice"). 15 U.S.C. §78u-4(a)(3)(A)(i). Following the commencement of the *Barry* Action, on April 6, 2018, Plaintiff Barry published notice of pendency of the action via *Business Wire*. See Jasnoch Decl., Ex. A. Notice of the *IBEW 640* Action and its expanded class period was published on June 4, 2018 via *PRNewswire*. See Jasnoch Decl., Ex. B. Because the Early Notice was published within 20 days of the initiating *Barry* Action, notice was timely. See *Miami Police*, 2014 WL 2604991, at *4 (finding notice "timely because it was published within 20 days after the filing of the complaint").

All putative Class members seeking to be appointed lead plaintiff in this matter are required to move for appointment within 60 days of publication of the Early Notice. 15 U.S.C. §77z-1(a)(3)(A)-(B). Since the instant motion was filed within 60 days from the publication of the Early Notice, it is timely. 15 U.S.C. §77z-1(a)(3)(A)(i)(II). Moreover, IBEW 640 has submitted a certification stating its willingness to serve as a representative party on behalf of the class. See Jasnoch Decl., Ex. C.

2. The Proper Class Period for Calculating the Largest Financial Interest in the Related Actions

As set forth above, the PSLRA provides that an important factor in determining the appropriate lead plaintiff in a securities class action is the financial losses incurred by a movant as a result of the alleged fraud. Thus, in order to properly compare putative movants, the Court must, as an initial matter, determine the operative class period for the analysis.

The initial class period established in the *Barry* Action complaint was from February 28, 2017 through March 1, 2018, inclusive. The *Klein* Action utilized the same class period.

1 However, the *IBEW 640* Action, filed on June 4, 2018, expanded the class period to January 10,
2 2017 through March 1, 2018, inclusive.

3 For the purpose of determining a lead plaintiff, courts in this District have generally held
4 that when calculating the financial interest of potential plaintiffs, it is proper to look to the
5 longest alleged class period among the cases to be consolidated, so long as there is a factual basis
6 for that class period. *See Mulligan v. Impax Labs., Inc.*, No. C-13-1037 EMC, 2013 WL
7 3354420, at *8 (N.D. Cal. July 2, 2013) (citing *Eichenholtz v. Verifone Holdings, Inc.*, No. C 07-
8 06140 MHP, 2008 WL 3925289, at *2 (N.D. Cal. Aug. 22, 2008)); *see also Miami Police*, 2014
9 WL 2604991, at *1 n.3. The longest alleged class period here is January 10, 2017 through
10 March 1, 2018, inclusive (hereinafter the Class Period”), which is supported by factual
11 allegations in the Complaint. *See* ¶¶20-23.

12 **3. IBEW 640 the Largest Financial Stake in the Relief Sought by the** 13 **Class**

14 The PSLRA provides that courts: “shall appoint as lead plaintiff the member or members
15 of the purported plaintiff class that the court determines to be most capable of adequately
16 representing the interests of class members (hereafter in this paragraph referred to as the ‘most
17 adequate plaintiff’) in accordance with this subparagraph.” 15 U.S.C. §78u-4(a)(3)(B)(i).
18 Furthermore, there is a “rebuttable presumption that the most adequate plaintiff in any private
19 action arising under this [title]” is the movant that “has the largest financial interest in the relief
20 sought by the class[.]” 15 U.S.C. §78u-4(a)(3)(B)(iii)(I)(bb); *see also Richardson v. TVIA, Inc.*,
21 No. C 06 06304 RMW, 2007 WL 1129344, at *2 (N.D. Cal. Apr. 16, 2007) (discussing the
22 PSLRA’s lead plaintiff appointment process); *Feyko v. Yuhe Int’l Inc.*, No. CV 11-05511 DDP
23 (PJWx), 2012 WL 682882, at *2 (C.D. Cal. Mar. 2, 2012) (same) (citing *Cavanaugh*, 306 F.3d at
24 730). “District courts have typically considered the Olsten–Lax factors to determine who has the
25 largest financial interest: (1) the number of shares purchased during the class period; (2) the
26 number of net shares purchased during the class period; (3) the total net funds expended during
27 the class period; and (4) the approximate losses suffered.” *Knox v. Yingli Green Energy Holding*

1 *Co. Ltd.*, 136 F. Supp. 3d 1159, 1163 (C.D. Cal. 2015) (quoting *In re Olsten Corp. Sec. Litig.*,
 2 3 F. Supp. 2d 286, 295 (E.D.N.Y. 1998), and *Lax v. First Merchs. Acceptance Corp.*, No. 97 C
 3 2715, 1997 WL 461036, at *5 (N.D. Ill. Aug. 11, 1997)) (internal quotation marks omitted). “Of
 4 the Olsten-Lax factors, courts consider the fourth factor, the approximate losses suffered, as most
 5 determinative in identifying the plaintiff with the largest financial loss.” *Richardson*, 2007 WL
 6 1129344, at *4.

7 Based on the information presently available, IBEW 640 has the largest financial interest
 8 in the relief sought in this litigation. IBEW 640 suffered losses of approximately \$404,171. *See*
 9 Jasnoch Decl., Ex. D. Given that IBEW 640 has the largest financial interest in this litigation
 10 and, as discussed below, satisfies all of the PSLRA’s prerequisites for appointment as Lead
 11 Plaintiff, and should be appointed Lead Plaintiff pursuant to 15 U.S.C. §78u-4(a)(3)(B).

12 **4. Congress Expressly Intended Institutional Investors, Like IBEW 640,** 13 **to Be Appointed as Lead Plaintiff**

14 When it enacted the PSLRA in 1995, Congress intended to increase the role of
 15 institutional investors, like IBEW 640, in securities class actions. Institutional investors typically
 16 have a larger financial stake in the outcome of the litigation, and Congress believed that entities
 17 having such an interest would be more apt to effectively manage the litigation. *See* H.R. CONF.
 18 REP. NO. 104-369, at 34 (1995), *reprinted in* 1995 U.S.C.C.A.N. 730, 733 (“[C]lass members
 19 with large amounts at stake will represent the interests of the plaintiff class more effectively than
 20 class members with small amounts at stake.”). Courts have thus found that the appointment of
 21 institutional investors is consistent with the legislative intent of the PSLRA. *See Perlmutter v.*
 22 *Intuitive Surgical, Inc.*, No. 10-CV-03451-LHK, 2011 WL 566814, at *13 (N.D. Cal. Feb. 15,
 23 2011) (appointing an institutional investor “comports with the PSLRA’s goal to increase the
 24 likelihood that institutional investors would serve as lead plaintiffs”); *Feyko*, 2012 WL 682882,
 25 at *3 (noting that institutional investors are “exactly the type of sophisticated market
 26 participants Congress intended to take on the role of lead plaintiff following the PSLRA’s
 27 reforms”).

Here, IBEW 640 is precisely the type of lead plaintiff envisioned by Congress. It is a sophisticated institutional investor possessing a significant financial stake in this litigation. Accordingly, IBEW 640's status as an institutional investor strongly supports its appointment as Lead Plaintiff.

5. IBEW 640 Is Otherwise Qualified Under Rule 23

Pursuant to §21D(a)(3)(B) of the Exchange Act, a proposed lead plaintiff must also "otherwise satisf[y] the requirements of Rule 23." 15 U.S.C. §78u-4(a)(3)(B)(iii)(I)(cc). Rule 23(a) provides that a party may serve as a class representative only if the following four requirements are satisfied: "(1) the class is so numerous that joinder of all members is impracticable; (2) there are questions of law or fact common to the class; (3) the claims or defenses of the representative parties are typical of the claims or defenses of the class; and (4) the representative parties will fairly and adequately protect the interests of the class." Fed. R. Civ. P. 23(a). Of the four prerequisites, only two – typicality and adequacy – directly address the personal characteristics of the class representative. Consequently, in deciding a motion to serve as lead plaintiff, the court need only make findings as to the typicality and adequacy of the proposed lead plaintiff and, at this stage, those findings need only be "preliminary." *See, e.g., Westley v. Oclaro, Inc.*, No. C-11-2448 EMC, 2011 WL 4079178, at *2 (N.D. Cal. Sept. 12, 2011) (noting that only a "preliminary showing" of typicality and adequacy satisfies Rule 23 at the lead plaintiff stage).

The typicality requirement of Rule 23(a)(3) is satisfied when the representative party "has suffered the same injuries as other class members as a result of the same conduct by defendants and has claims based on the same legal issues." *Id.* Here, the claims of IBEW 640 are typical of the claims of the other members of the putative Class because, like all other Class members, IBEW 640: (1) purchased Colony NorthStar securities during the Class Period; (2) was adversely affected by Defendants' allegedly false and misleading statements; and (3) suffered damages as a result thereof. *See Russo*, 2011 WL 5117560, at *4 (discussing ways in which a lead plaintiff movant can meet the typicality requirement). Since the claims asserted by IBEW

1 640 are based on the same legal theories and arise “from the same event or practice or course of
 2 conduct that gives rise to the claims of other class members,” typicality is satisfied. *See*
 3 NEWBERG ON CLASS ACTIONS §3:13 (4th ed. 2008).

4 With respect to adequacy, a movant is an adequate class representative when it possesses
 5 common interests and an absence of conflict with fellow class members and the movant’s
 6 attorneys are qualified, experienced, and vigorously able to conduct the litigation. *See Westley*,
 7 2011 WL 4079178, at *2 (explaining that, with regard to the adequacy requirement, a court must
 8 evaluate “whether: (1) the lead plaintiff’s claims conflict with those of the class; and (2) class
 9 counsel is qualified, experienced, and generally able to conduct the litigation”). IBEW 640
 10 satisfies the “adequacy” requirement in the instant litigation because its interests are clearly
 11 aligned with the interests of the putative Class. Moreover, IBEW 640, like all other members of
 12 the Class, suffered losses as a result of purchasing Colony NorthStar securities at prices that were
 13 artificially inflated due to Defendants’ alleged conduct. IBEW 640 will, therefore, benefit from
 14 the same relief as other Class members. In short, there is absolutely no evidence of antagonism
 15 between IBEW 640 and the putative Class.

16 IBEW 640 has also demonstrated that it is an adequate representative in this matter by
 17 retaining competent and experienced counsel. As shown below, Scott+Scott is highly qualified,
 18 experienced, and able to conduct this complex litigation in a professional manner. Accordingly,
 19 IBEW 640 has made a *prima facie* showing that it satisfies all of the requirements of Rule 23 for
 20 the purposes of its motion.

21 **C. The Court Should Approve IBEW 640’s Choice of Counsel**

22 The PSLRA vests authority in the lead plaintiff to select and retain lead counsel, subject
 23 to this Court’s approval. *See* 15 U.S.C. §77z-1(a)(3)(B)(v); *Cavanaugh*, 306 F.3d at 734-35. As
 24 such, this Court should not disturb the lead plaintiff’s choice of counsel unless necessary to
 25 “protect the interests of the class[.]” 15 U.S.C. §77z-1(a)(3)(B)(iii)(II)(aa); *see also In re Cohen*,
 26 586 F.3d 703, 712 (9th Cir. 2009) (“[I]f the lead plaintiff has made a reasonable choice of
 27

counsel, the district court should generally defer to that choice.”) (citing *In re Cendant Corp. Litig.*, 264 F.3d 201, 276 (3d Cir. 2001)); *Cavanaugh*, 306 F.3d at 733, 733 n.12.

IBEW 640 has selected the law firm of Scott+Scott to serve as Lead Counsel of the Related Actions. Scott+Scott has significant experience in the prosecution of securities class actions and as its history indicates, Scott+Scott will vigorously prosecute this case on behalf of IBEW 640 and the putative Class. *See* Jasnoch Decl., Ex. E.

Scott+Scott is also currently serving as lead or co-lead counsel in securities class actions pending in several United States District Courts. *See, e.g., Robinson v. Diana Containerships, Inc.*, No. 17-cv-06160 (E.D.N.Y.); *Emerson v. Genoea Bioscis, Inc.*, No. 17-cv-12137 (D. Mass.); *Ret. Bd. of the Policemen’s Annuity & Benefit Fund of Chi. v. FXCM Inc.*, No. 15-cv-03599 (S.D.N.Y.); *In re Conn’s Inc. Sec. Litig.*, No. 14-cv-00548 (S.D. Tex.).

In light of the foregoing, the Court should approve IBEW 640’s selection of Scott+Scott as Lead Counsel. The Court can be assured that by approving IBEW 640’s choice of counsel, the putative Class will receive the highest caliber of representation.

IV. CONCLUSION

For all of the foregoing reasons, IBEW 640 respectfully requests that the Court consolidate the Related Actions, appoint IBEW 640 as Lead Plaintiff of the Related Actions, and approve the its selection of Scott+Scott to serve as Lead Counsel.

DATED: June 5, 2018

Respectfully submitted,
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9 *Proposed Lead Counsel for Proposed Lead*
10 *Plaintiff IBEW Local No. 640 and Arizona*
11 *Chapter NECA Pension Trust Fund*
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CERTIFICATE OF SERVICE

I hereby certify that on June 5, 2018, I caused the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the email addresses denoted on the Electronic Mail Notice List, and I hereby certify that I caused the foregoing document or paper to be mailed via the United States Postal Service to the non-CM/ECF participants indicated on the Manual Notice List.

Executed on June 5, 2018, at San Diego, California.

/s/ John T. Jasnoch
John T. Jasnoch (CA 281605)